



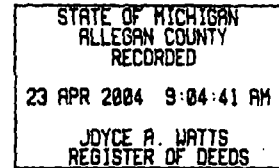
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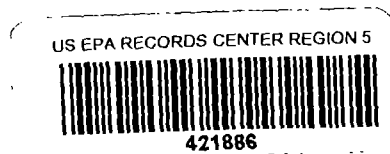
DECLARATION OF RESTRICTIVE COVENANT

Grantor: Plainwell Inc.



REC'D APR 22 2004

REC'D APR 19 2004



**DECLARATION OF RESTRICTIVE COVENANT****MDEQ Reference No.: RC-RRD-03-052****U.S. EPA Site No.: 059B**

This Declaration of Restrictive Covenant ("Restrictive Covenant") has been recorded with the Allegan County Register of Deeds for the purpose of protecting public health, safety, and welfare, and the environment by prohibiting or restricting activities that could result in unacceptable exposure to environmental contamination present at the 12th Street Landfill property, as legally described in Exhibit 1 attached hereto ("Property").

The Property is associated with the Allied Paper, Inc./Portage Creek/Kalamazoo River Superfund Site (the "Site"). The Site was placed on the National Priorities List on August 30, 1990, and is a facility, as that term is defined in Part 201, Environmental Remediation, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended, MCL 324.20101 et seq. ("NREPA"). The Property comprises a portion of the 12th Street Operable Unit #4 of the Site for which on-going remedial actions are being conducted in accordance with the Record of Decision ("ROD") issued by the Michigan Department of Environmental Quality ("MDEQ") and concurred with by the United States Environmental Protection Agency ("USEPA") on September 28, 2001 pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, 42 USC 9601 et seq., ("CERCLA"). Information pertaining to the environmental conditions at the Property and the remedial actions to be undertaken at the Property is on file with the USEPA and the Michigan Department of Environmental Quality ("MDEQ"), Remediation and Redevelopment Division.

This Restrictive Covenant has been recorded to: 1) restrict unacceptable exposures to hazardous substances located on the Property; 2) assure that the use of Property is consistent with the exposure assumptions and control measures required pursuant to the ROD; and 3) to prevent damage or disturbance of any element of the remedial action constructed on the Property. The restrictions contained in this Restrictive Covenant are based upon information available to the USEPA and MDEQ at the time the ROD was issued. Failure of the response activities to achieve and maintain the criteria, exposure controls, and requirements specified in the ROD; future changes in the environmental condition of the Property or changes in the cleanup criteria developed under CERCLA and the NREPA; the discovery of environmental conditions at the Property that were not accounted for in the ROD; or use of the Property in a manner inconsistent with the restrictions described herein, may result in this Restrictive Covenant not being protective of public health, safety, and welfare, and the environment.

Property Identification Number: 0317-024-047-00

Exhibit 2 provides a survey of the Property that is subject to the land use or resource use restrictions specified herein.

Summary of Remedial Actions

The Property was historically used as a landfill for wastes and residuals associated with the manufacturing and recycling of paper. Response activities to be undertaken at the Property

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as part of the remedial action required under the ROD to assure the protection of public health, safety and welfare, and the environment and ensure the integrity of the remedy include, but are not necessarily limited to: the construction of a landfill cap and containment systems to contain paper residuals and soils and sediments contaminated with polychlorinated biphenyls ("PCBs") and prevent the erosion of PCB contaminated materials into the Kalamazoo River; construction and maintenance of a fence; construction, operation and maintenance of groundwater monitoring system; and establishment of the land use and resource use restrictions contained herein.

Definitions

"MDEQ" means the Michigan Department of Environmental Quality, its successor entities, and those persons or entities acting on its behalf.

"Owner" means, at any given time, the then current title holder of the Property or any portion thereof.

"Owners Subsequent to Plainwell" means, at any given time, the then current title holder of the Property or any portion thereof, except for Plainwell Inc.

"Plainwell" shall mean Plainwell Inc., the owner of the Property as of the date of the execution of this Restrictive Covenant, and the Owner for as long as Plainwell Inc. is a current title holder of the Property or any portion thereof.

"USEPA" shall mean the United States Environmental Protection Agency, its successor entities and those persons or entities acting on its behalf.

All other terms used in this document which are defined in Part 3, Definitions, of the NREPA; Part 201 of the NREPA; or the Part 201 Administrative Rules ("Part 201 Rules"), 1990 AACRS R 299.5101 et seq., shall have the same meaning in this document as in Parts 3 and 201 of the NREPA and the Part 201 Rules, as of the date of filing of this Restrictive Covenant.

NOW THEREFORE,

Plainwell Inc., as Owner of the Property, hereby declares and covenants that the Property shall be subject to the following restrictions and conditions:

Declaration of Land Use or Resource Use Restrictions

1. The Owner shall prohibit all uses of the Property that are not compatible with the Property's zoned industrial land use designation, the limited industrial land use category under Section 20120a(1)(i) of the NREPA or other use that is consistent with the assumptions and basis for the cleanup criteria developed pursuant to Section 20120a(1)(i) of the NREPA. Cleanup criteria for land use-based response activities are located in the Government Documents Section of the State of Michigan Library.

2. The Owner shall prohibit use of the Property or portions thereof, for any of the following purposes:



(a) A residence, including any mobile home or factory built housing, constructed or installed for use as residential human habitation;

(b) A hospital for humans.

(c) A public or private school for persons under 21 years of age.

(d) A day care center for children.

(e) Any purpose involving residential occupancy on a 24-hour basis.

(f) Any other use that would disturb or penetrate the landfill cover or erosion control system as set forth in the ROD.

3. Owners Subsequent to Plainwell shall prohibit activities, and Plainwell shall not perform any activities, on the Property that may result in exposures above levels established in the ROD. These prohibited activities include:

(a) Any excavation, drilling, penetration or other disturbance of the surface or subsurface soils on the Property except as necessitated for compliance with the O&M plan or conducted in accordance with any work plan approved or modified by U.S. EPA with MDEQ concurrence. All excavation, drilling, penetration or other disturbance of the surface or subsurface soils on the Property must be conducted in accordance with a health and safety plan that complies with the Occupational Safety and Health Act of 1970, 20 CFR 1910.120 and the Michigan Occupational Safety and Health Act.

(b) Any construction of buildings on the Property unless plans are submitted to and approved by the MDEQ and U.S. EPA. Any new construction must satisfy the indoor air inhalation criteria of Part 201.

4. Owners Subsequent to Plainwell shall prohibit activities, and Plainwell shall not perform any activities, on the Property that may interfere with any element of the ROD, including the performance of operation and maintenance activities, monitoring, or other measures necessary to ensure the effectiveness and integrity of the remedy.

5. The MDEQ or USEPA may require modifications to the restrictions contained in this Restrictive Covenant as necessary to assure the integrity and effectiveness of the remedial action required under the ROD or assure the protection of the public health, safety, welfare and the environment.

6. Owners Subsequent to Plainwell shall comply with the applicable requirements of Section 20107a of the NREPA and Part 10 of the Part 201 Administrative Rules.

7. Permanent Markers. The Owner shall not remove, cover, obscure, or otherwise alter or interfere with the permanent markers placed on the Property pursuant to the ROD. Owners Subsequent to Plainwell shall keep vegetation and other materials clear of the permanent markers to assure that the markers are readily visible.



8. Contaminated Soil Management. Owners Subsequent to Plainwell shall manage all soils, media and/or debris located on the Property in accordance with, and Plainwell shall refrain from managing soils, media and/or debris located on the Property in contravention of, the applicable requirements of Section 20120c of the NREPA; Part 111, Hazardous Waste Management, of the NREPA; Subtitle C of the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq.; the administrative rules promulgated thereunder; and all other relevant state and federal laws.

9. Access. The Owner shall grant to the MDEQ, USEPA, as a third-party beneficiary, and their designated representatives an irrevocable, permanent and continuing right of access to enter the Property at reasonable times for the purpose of:

(a) Overseeing and/or implementing the response actions required in the ROD, including but not limited to installation of a landfill cover system that complies with the relevant portions of Part 201 of the NREPA and conducting any necessary inspection and repair of the capped areas;

(b) Verifying any data or information submitted to USEPA and/or MDEQ and determining and monitoring compliance with the ROD and any implementing Statement of Work;

(c) Verifying that no action is being taken on the Property in violation of the terms of this instrument or of any federal or state environmental laws or regulations;

(d) Monitoring response actions at the 12th St. Operable Unit and at the Site and conducting investigations relating to contamination on or near the Site, including, without limitations, sampling of air, water, sediments, soils, and specifically, without limitation, obtaining split or duplicate samples;

(e) Conducting periodic reviews of the response action, including but not limited to, reviews required by applicable statutes and/or regulations; and

(f) Implementing additional or new response actions if USEPA and the MDEQ determine: i) that such actions are necessary to protect public health, safety, welfare, or the environment because either the response action has proven to be ineffective or because new technology has been developed which will accomplish the purposes of the response action in a significantly more efficient or cost effective manner; and, ii) that the additional or new response actions will not impose any significantly greater burden on the Property or unduly interfere with the then existing uses of the Property.

Nothing in this Restrictive Covenant shall limit or otherwise affect USEPA's or MDEQ's right of entry and access or authorities to take response activities pursuant to CERCLA, the National Contingency Plan, 40 C.F.R. Part 300, Part 201 of the NREPA and the successor statutory provisions, or state or federal law.

10. Transfer of Interest. The Owner shall provide notice to the USEPA and MDEQ of the Owner's intent to transfer any interest in the Property at least fourteen (14) business days prior to consummating the conveyance. A conveyance of title, easement, or other interest in the Property



shall not be consummated by the Owner unless the Owner complies with the applicable provisions of Section 20116 of the NREPA. A copy of this Restrictive Covenant shall be provided to all future owners, heirs, successors, lessees, easement holders, assigns, and transferees by the person transferring the interest. The Owner shall include in any instrument conveying any interest in the Property or portion thereof, including but, not limited to, deeds, leases, and mortgages a notice which is in substantially the following form:

NOTICE: THE INTEREST CONVEYED HEREBY IS SUBJECT TO A
DECLARATION OF RESTRICTIVE COVENANT, DATED ____, 200__, AND
RECORDED WITH THE ALLEGAN COUNTY REGISTER OF DEEDS, LIBER ____,
PAGE ____.

11. Notices. Any notice, demand, request, consent, approval, or communication that is required to be made or obtained under this Restrictive Covenant shall be made in writing and include a statement that the notice is being made pursuant to the requirements of this Restrictive Covenant, MDEQ Reference Number RC-RRD-03-052 and U.S. EPA Site No. 059B and shall be served either personally or sent via first class mail, postage prepaid, as follows:

For USEPA: Mr. Timothy Prendiville
Remedial Project Manager
U.S. EPA
77 West Jackson Blvd. SR-6J
Chicago, Illinois 60604

Eileen L. Furey
Associate Regional Counsel
U.S. EPA Region 5
77 West Jackson Blvd. C-14J
Chicago, IL 60604

For MDEQ: Director
Michigan Department of Environmental Quality
P.O. Box 30473
Lansing, Michigan 48909-7973

12. Term and Enforcement of Restrictive Covenant. This Restrictive Covenant shall run with the Property and shall be binding on the Owner; future owners; and all current and future successors, lessees, easement holders, their assigns, and their authorized agents, employees, or persons acting under their direction and control. This Restrictive Covenant may only be modified or rescinded with the written approval of the USEPA and MDEQ.

The State of Michigan, through the MDEQ, the Owner, and the United States on behalf of USEPA, as a third party beneficiary, may enforce the restrictions set forth in this Restrictive Covenant by legal action in a court of competent jurisdiction.

13. Severability. If any provision of this Restrictive Covenant is held to be invalid by any court of competent jurisdiction, the invalidity of such provision shall not affect the validity of



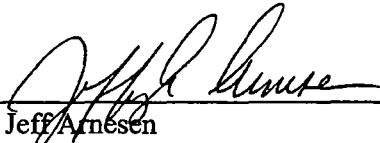
any other provisions hereof, and all such other provisions shall continue unimpaired and in full force and effect.

14. Authority to Execute Restrictive Covenant. The undersigned person executing this Restrictive Covenant is the Owner and represents and certifies that he or she is duly authorized and has been empowered to execute and deliver this Restrictive Covenant.

15. Nothing in this Restrictive Covenant affects Plainwell's obligations, if any, under Part 201 of the NREPA, CERCLA, or other State or federal laws, subject to the terms and limitations of the Environmental Settlement Agreement, dated as of October 29, 2003, as may be amended from time to time, among: (a) the United States of America, on behalf of the United States Environmental Protection Agency, the United States Department of the Interior, and the National Oceanic and Atmospheric Administration of the United States Department of Commerce, and including all departments, agencies and instrumentalities of the United States; (b) the State of Michigan, on behalf of Michael A. Cox, Attorney General for the State of Michigan, the Michigan Department of Environmental Quality, and all other departments, agencies and instrumentalities of the State of Michigan; (c) Colonial Heights Packaging, Inc.; (d) Philip Morris USA, Inc.; (e) Chesapeake Corporation; (f) Simpson Paper Company; (g) Plainwell Holding Company; and (h) Plainwell Inc., the final version of which, after publication in the Federal Register for the thirty-day public comment period specified by 42 U.S.C. § 9622(i), will be filed with the United States District Court for the District of Delaware.

IN WITNESS WHEREOF, Plainwell Inc. has caused this Restrictive Covenant to be executed on this 20th day of March, 2004.

Plainwell Inc.

By: 
Name: Jeff Arnesen
Its: SVP - Chief Financial Officer

STATE OF MICHIGAN



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COUNTY OF ALLEGAN

Personally came before me this 20 day of March, 2004, the above-named Jeff Arnesen as Chief Financial Officer of Plainwell, Inc. to me known to be the person who executed the foregoing instrument an acknowledge the same.



Renee Arleen Weiss
Notary Public

Renee A. Weiss

[Print or type name]

[Commissioned in] County, Hennepin

My Commission Expires: Jan 31, 2005

This instrument was prepared by
And after recording, should be returned to:

Pamela E. Barker
Godfrey & Kahn, S.C.
780 North Water Street
Milwaukee, WI 53202



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EXHIBIT 1**LEGAL DESCRIPTION OF PROPERTY**

All that part of the east $\frac{1}{2}$, lying West and South of the Kalamazoo River and described as: Commencing at a point 2078.3 feet North of the South $\frac{1}{4}$ post of said Section, thence East 377 feet, thence North 264 feet, thence East 255 feet, to the low water mark of the Kalamazoo River, thence Northerly and Westerly along said low water mark of the Kalamazoo River to the North and South $\frac{1}{4}$ line of Section 24, thence South along said $\frac{1}{4}$ line to the point of beginning, Section 24, Town 1 North, Range 12 West. Together with an easement for ingress and egress running from subject property to Highway M-89 as set forth in deed recorded in Liber 487 on Page 112.

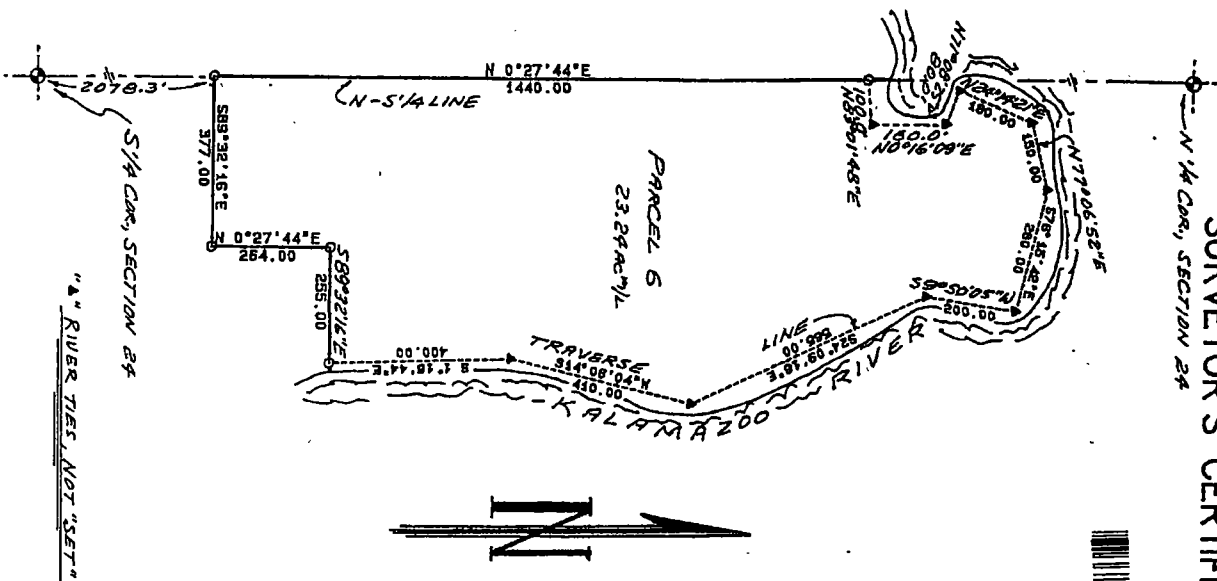
SURVEYOR'S CERTIFICATE

N 1/4 COR., SECTION 24



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PARCEL 6

ALL THAT PART OF THE EAST 1/2, LYING WEST AND SOUTH OF THE KALAMAZOO RIVER AND WEST OF A LINE COMMENCING AT A POINT 2078.3 FEET NORTH OF THE SOUTH 1/4 POST OF SAID SECTION; THENCE EAST 377 FEET; THENCE NORTH 264 FEET; THENCE EAST 255 FEET, TO THE LOW WATER MARK OF THE KALAMAZOO RIVER THENCE NORTHERLY AND WESTERLY ALONG SAID LOW WATER MARK OF THE KALAMAZOO RIVER TO THE NORTH AND SOUTH 1/4 LINE OF SECTION 24; THENCE SOUTH ALONG SAID 1/4 LINE TO THE POINT OF BEGINNING. SECTION 24, TOWN 1 NORTH, RANGE 12 WEST.

LEGEND:

- 1/2" IRON SET
- CORNER FOUND
- R - "RECORDED AS"

0' 150' 300' 600'

BEARING SOURCE: PRIOR SURVEY PLS #781

LOCATION: E/2 SECTION 24 T1N-R12W,
OSHEGO TWP, ALLEGANY CO., MICHIGAN,
 CERTIFIED TO: SIMPSON PLANNING PAPER CO.

I HEREBY CERTIFY THAT I HAVE SURVEYED AND MAPPED THE LAND ABOVE PLATTED AND/OR DESCRIBED ON THIS DATE, AND THAT THE RATIO OF CLOSURE ON THE UNADJUSTED FIELD OBSERVATIONS WAS 18.000%, AND THAT ALL OF THE REQUIREMENTS OF P.A. 132, 1970 HAVE BEEN COMPLIED WITH.



WIGHTMAN MOORED, INC.

Land Surveying and Consulting Engineering
 114 CHESTNUT ST., ALLEGANY, MI 49010
 (616) 673-6466 FAX 673-6464

BY: Bert M. Jones DATE: 10-18-96
 BERT M. JONES, PLS MI# 23514 DLS#527630646"

JOYCE A. WATTS
ALLEGAN COUNTY
REGISTER OF DEEDS OFFICE
4/23/2004 9:04:41 AM

RECEIPT #50536, REGISTER 3
Cashier: LB

RESTRICTIONS		\$41.00
<hr/>		
TOTAL \$		\$41.00
CHECK		\$41.00
CHANGE		\$0.00